



Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of Buckner

Background	The Missouri State Auditor's office was petitioned under Section 29.230, RSMo, to audit the City of Buckner. A minimum of 200 signatures was required, and the petition was signed by 234 registered, resident voters.
Accounting Controls and Procedures	Accounting records and financial reports are inaccurate and in need of improvement. Transfers for payroll transactions are not recorded timely, interest earned on investments is not accounted for properly and posted to the appropriate fund, sales tax revenues are not properly recorded, and an \$18,000 vehicle sale in August 2010 was not recorded in the accounting records as of March 2012. The city has not reconciled bank balances to book balances for the operating account since 2008 and for several other accounts in the past several years and did not properly track and record various restricted monies. Accounting duties performed by the City Administrator and her staff are not adequately segregated, and no supervisory review of this work is performed. The city does not maintain its petty cash fund at an established amount and does not maintain a petty cash ledger. Annual budgets do not contain all elements required by state law, and are prepared for each city department, rather than each city fund.
Water and Sewer System	The city increased water rates in October 2010 and October 2011, but it has not conducted a rate study for the past few years to determine the cost of operating the water system, and it has not documented a multi-year capital improvement plan for either the water or sewer system despite budgeting approximately \$500,000 for improvements. Non-monetary transactions are not reviewed by an independent person and can be approved by either the City Administrator or City Clerk, both of whom are also responsible for collecting utility monies and have the ability to alter or delete individual utility account information. The city does not review the list of customer utility deposits for accuracy or compare it to the adjusted bank balance, and, audit staff determined the adjusted balance of the utility deposit account was approximately \$11,000 less than the total of customer deposits. The city does not reconcile payments collected and non-monetary transactions to the monthly billing summary and does not maintain the monthly billing summary. Late charges and shutoffs of service are not charged or conducted in accordance with city ordinances for elected officials and city staff. The city does not obtain annual audits of its water and sewer systems, as required by state law.
Disbursements	The City Administrator does not include all disbursements on the council approval list for Board approval and does not obtain adequate supporting documentation for some disbursements, making it difficult to ensure all disbursements are an appropriate use of public funds. The city lacks formal policies and procedures documenting who should maintain a credit card, appropriate usage for the credit cards, and required documentation to support credit card disbursements. The city has 20 credit cards from seven vendors, issued to seven employees, with credit limits as high as \$10,000.

Capital Assets	The city does not maintain overall property records or affix asset tags to city property and does not document an annual physical inventory.
Fuel and Vehicle Use	The City Clerk, Waste Water Treatment Plan Operator, and Public Works Lead Man are allowed to use city vehicles to commute between home and work, but the amount of personal mileage was not recorded on their W-2 forms, as required by IRS guidelines, and they were not required to maintain a mileage log. Fuel and usage logs were not maintained for equipment and vehicles, and fuel usage was not reconciled to fuel purchases.
Payroll	The city paid bonuses totaling \$21,100 to 17 employees, in violation of the Missouri Constitution, and timesheets were not always signed by employees or their supervisors. The City Administrator, City Clerk, Chief of Police, and Mayor were each paid a \$50 per month cellular phone allowance, but they were not required to submit invoices or other supporting documentation, and the amounts were not reported on their W-2 forms, as required by IRS regulations. The city did not timely and accurately record payroll transfers in the accounting records, and the city paid overdraft charges because some transfers from the operating bank account to the payroll account were not made timely.
Closed Meetings	The city did not document the vote to close meetings or the purpose of closed meetings in the open meeting minutes, and it did not prepare minutes of closed meetings, as required by state law.

In the areas audited, the overall performance of this entity was **Poor**.*

American Recovery and Reinvestment Act (Federal Stimulus)	The City of Buckner did not receive any federal stimulus monies during the audited time period.
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*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.